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TRGY, TSPL

SUBJECT: EUROPEAN UNION UPDATES BIOFUELS GHG VALUES; U.S.  
CORN ETHANOL STILL ABSENT

REF: A. A: BRUSSELS 1689

[B](#). B: BRUSSELS 1629

[C](#). C: BRUSSELS 1439

[1](#)1. (U) The European Council has modified the values used to determine the lifecycle greenhouse gas (GHG) emissions for biofuels feedstocks, used to determine whether a feedstock saves enough in greenhouse gas emissions to be counted toward the EU-wide target of 10% of transport fuels coming from alternative sources (biofuels, hydrogen fuel cell, electric cars from renewable electricity, etc). Note: Under the current version of the draft text, only biofuels with a reduction value of over 35% -- increasing to 50% in 2017 -- count towards the 10% target.) The timing is significant because the French EU Presidency is pushing hard to have the Council and European Parliament final the Climate and Energy Package, including the Renewables Directive, this year. (See reftels A and B for overviews of the Renewables Directive and biofuels discussions, and reftel C for an overview of the state-of-play of the Package).

[1](#)2. (SBU) The most significant changes in the underlying data provided by the EU's Joint Research Center (JRC) and the Commission are a substantial improvement in the values for sugar beet and wheat bioethanols and the addition of values for soy-based biodiesel, not previously calculated. No changes for corn-based ethanol were made, and values for U.S. corn ethanol are still lacking (so it is not certain whether or not U.S. corn-based ethanol will meet the cut).

[1](#)3. (SBU) The new figures, listed below and not formally publicly available, were leaked to the press in early November, and environmental NGOs immediately began questioning the motivations for these changes. A representative of the Brussels-based NGO 'Transport and Environment' said that the timing and lack of transparency over the numbers highlights the influence that the biofuels lobby has in Brussels. The two feedstocks with the largest gains, sugar beet and wheat, also happen to be the two largest feedstocks in Europe for bioethanol production. In the case of sugar beet, the previous default value of 35% would not have met the more stringent requirements from the beginning, but the new value of 52% would have little problem.

[1](#)4. (U) EU Energy Commissioner Andris Piebalgs' spokesperson said "this report was not 'asked for' by (the Directorate General for Energy and Transport (TREN))." Instead, this is an ongoing process among a consortium including the JRC, the research arm of the Commission, and the research arms of the EU oil (CONCAWE) and vehicle (EUCAR) industries. The decision by TREN to use the updated data for calculating the default values in the Directive was "to avoid what would have happened if (TREN) had ignored this information." The

spokesperson was quick to highlight that TREN was providing information derived from a science-based approach, produced by the JRC, an objective, non-political source: "as you know, the JRC is not under the control of DG TREN as far as its scientific output is concerned!"

15. (SBU) The values in the following table list the key feedstocks, the original default GHG emission reductions over fossil fuels, and the updated values. The values incorporate the GHG emissions during the cradle to grave process of growing the feedstock and converting it to a fuel as well as the emissions from burning that fuel in a vehicle. The values do not incorporate land-use changes, that is, the emissions caused by changing a plot of land (such as forest or grassland) to an agricultural field. Once accepted, the default values will be used by the Commission for each feedstock without further proof from the producer. However, the values listed here are not final and could be changed by the Commission provided a producer proves its production process generates values in excess of the default values.

Feedstock	Original Value	Updated Value
Sugar beet ethanol	35%	52%
Wheat ethanol	0%	16%
Corn ethanol (1)	49%	49%
Sugar cane ethanol	74%	71%
Rape seed biodiesel	36%	38%
Palm oil biodiesel	16%	19%
Soybean biodiesel	NV	31%

(1) EU produced, natural gas as process fuel

16. (SBU) Comment: This has not been a particularly

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transparent process, Piebalgs' spokesperson's comments to the contrary. The final values and the data have not been made public by the EU or the JRC, and the JRC has indicated to USEU EconOff that a report will be published on December 11. The choice of date likely is not coincidental: the European Council meant to adopt the Climate package convenes that day. This prevents external sources from commenting ahead of the final decision date. That being said, there are no indications that the values have been politicized. Commission and JRC officials and external sources all corroborate the statements from TREN that this was not asked for by the Commission. However, several contacts have indicated that they understand the perception that the values are preferential to European feedstocks. End comment.

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